STRATEGIC FINANCIAL RELATIONS LIMITED
縱橫財經公關顧問有限公司

[For Immediate Release]

SINGAMAS ANNOUNCES 2018 ANNUAL RESULTS

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STABLE BUSINESS PERFORMANCE DESPITE CHALLENGING ENVIRONMENT

FINANCIAL HIGHLIGHTS

US$'000	**Year Ended 31 December**	
	2018	2017
Revenue	**1,807,819**	1,476,670
Profit attributable to owners of the Company	**72,252**	41,452
Earnings per share (US cents) **– Basic and diluted**	**US2.99 cents**	US1.72 cents
Final dividend per share (HK cents)	**HK7 cents**	HK2.5 cents

(Hong Kong, 26 March 2019) – World-leading container manufacturer and logistics services provider **Singamas Container Holdings Limited** ("Singamas" / the "Group") (stock code: 716) has today announced its annual results for the year ended 31 December 2018 (the "review year").

During the review year, Singamas managed to perform stably even though the industry faced various challenges, including the Sino-US trade war, keen competition amongst peers, unstable material costs and exchange rate fluctuations. Though such challenges invariably affected the Group's results, thanks to satisfactory container demand, consolidated revenue amounted to US$1,807,819,000 (2017: US$1,476,670,000). Consolidated net profit attributable to owners of the Company was US$72,252,000[1] (2017: US$41,452,000), including a one-time gain of approximately US$65,604,000 from the disposal of Hui Zhou Pacific Container Co. Ltd ("HPCL"), a wholly owned subsidiary of the Group. Basic earnings per share were US$2.99 cents compared with US1.72 cents per share in 2017.

The Board proposes to pay a final dividend of HK7 cents per ordinary share for the year ended 31 December 2018 (2017: HK2.5 cents per ordinary share). As the Board did not recommend an interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: HK1.5 cents per ordinary share), total dividend for the year would be HK7 cents per ordinary share (2017: HK4 cents per ordinary share). The dividend payout ratio for the year approximates to 29.9% (2017: 29.9%)

Mr. Teo Siong Seng, **Chairman of Singamas**, said, "We are glad to have achieved stable growth in 2018, and are particularly pleased with our manufacturing business as it was able to generate record-high production for a decade despite the challenging global economic environment and difficult conditions faced in the second half of the year. During 2018, we continued to develop our portfolio of specialised containers to meet our customers' needs and were rewarded with remarkable feedback from the market. In particular, the newly launched *PrimeLINE ONE*™ assembled-on-site refrigerated container co-developed with Carrier Transicold, mini-box containers and power generator containers have enjoyed favourable demand."

[1] Excluding the extraordinary gain from the disposal of Hui Zhou Pacific Container Co. Ltd., net profit from core operation was US$6,648,000.

MANUFACTURING

Demand for dry freight containers remained satisfactory despite slowdown in global economic expansion in the second half year. Such demand brought record revenue of US$1,780,404,000 to the Group's manufacturing business in the review year, compared with US$1,443,177,000 in 2017, accounting for 98.5% of the Group's total revenue. In all, the operation produced 835,920 twenty-foot equivalent units ("TEUs") for the year ended 31 December 2018, up 13.2% from 738,286 TEUs in the preceding year. Average selling price ("ASP") of a 20' dry freight container in 2018 rose to US$2,157 (2017: US$2,102), which highlights the increase in material costs, especially for corten steel. Total sales volume reached 841,615 TEUs versus 715,733 TEUs in 2017. Since competition remained keen, the increase in material costs were not entirely passed to customers, hence segmental profit before taxation and non-controlling interests (excluding a one-time gain on disposal of HPCL) declined to US$17,911,000 (2017: US$51,655,000).

While dry freight containers account for a significant 79.5% of the Group's manufacturing revenue, specialised containers remain an important component of the product mix (2017: dry freight 85.5% vs specialised 14.5%). During the year, the Group's 53' US domestic dry containers and reefer containers contributed to the rise in segment revenue, as reflected by a significant increase in production of 92.4% and 95.7% respectively. The *PrimeLINE ONE™* assembled-on-site refrigerated containers (co-developed with Carrier Transicold) yielded satisfactory feedback from the market with an order for 1,000 units made by a major container leasing company in the fourth quarter of 2018, and this was despite entering the market since the second half of 2018. The Group's business in other specialised containers such as mini-box containers and power generator containers also enjoyed strong pickup from both domestic and foreign customers.

LOGISTICS SERVICES

During the year, as strong export volume weighed on demand, the Group's logistic services business faced challenges, resulting in the decline in revenue to US$27,415,000 compared with US$33,493,000 for the preceding year. The number of containers handled by the Group's subsidiaries also fell to approximately 583,000 TEUs (2017: 659,000 TEUs). With fewer idle containers on the ground, average daily storage slipped to 24,000 TEUs versus 33,000 TEUs in 2017.

Despite the flat demand, logistic services still play an irreplaceable role in serving customers' needs and contribute as a supplemental revenue stream. The Group remains wholly committed to developing this area of business.

PROSPECTS

According to World Bank, global economic growth is expected to moderate, owing in part to the ending of accommodative policies by major central banks. This has resulted in the tapering of world export orders recorded in the third quarter of 2018. In view of such developments, owners and operators in the shipping industry may direct their focus on managing fleet growth to reduce risk.

As downside risks continue to grow, Singamas will strive to protect the Group's interests. Apart from expanding its product portfolio, the Group will continue enhancing its operational efficiency and engage in further measures to consolidate business operations so that it is fully capable of taking prompt and decisive action to capitalise on market turnaround in the future.

Mr. Teo concluded, "In view of the success from the introduction of assembled-on-site refrigerated containers, Singamas will dedicate more resources to bolster the Group's R&D capabilities with the aim of developing innovative specialised containers that cater for the needs of our customers. We will also employ stringent measures to boost operational efficiency. For the logistics services segment, we will capitalise on business opportunities in the region, including those resulting from the PRC Government "One Belt One Road" initiative through our joint venture in the Guangxi Zhuang Autonomous Region."

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About Singamas Container Holdings Limited

Singamas is one of the world's leading container manufacturers and logistics services providers. Its manufacturing business covers nine container factories located in the PRC. Its logistics operations include eleven container depots/terminals, nine located in key locations in the PRC – Dalian, Tianjin, Qingdao, Shanghai, Qidong, Ningbo, Fuzhou, Xiamen and Guangxi and two in Hong Kong. It also runs a logistics company in Xiamen, the PRC. Riding on its comprehensive investment strategies, the Group is consolidating its market leadership in the global container industry. For details, please visit: www.singamas.com.

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